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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 8, 2000

APPLICATION OF

CENTRAL VIRGINIA ELECTRIC  
COOPERATIVE

CASE NO. PUE000583

For a general increase  
in rates

ORDER FOR NOTICE AND HEARING

On November 1, 2000, as corrected on November 9, 2000, Central Virginia Electric Cooperative ("CVEC" or the "Cooperative") filed with the Commission its Application of Central Virginia Electric Cooperative For a General Increase in Rates (hereinafter "Application"). According to the Application, at 2, 5, the Cooperative made this filing under § 56-582 of the Code of Virginia, which authorizes the establishment of capped rates from January 1, 2001, to July 1, 2007. As provided by § 56-582 A 3, CVEC has proposed that the revised rates and charges take effect on January 1, 2001, on an interim basis and subject to refund.

CVEC seeks approval of rates that would be adequate during 2007, but the rates would be discounted by 8.7 percent for 2001. (*Id.* at 3-4) After 2001, as authorized by § 56-582 B(iv) of the Code, the rate discount of 8.7 percent could be adjusted upward or downward, prospectively, to match CVEC's cost of providing

distribution services. No increase or decrease in the discount would be made without Commission approval. (*Id.*)

As filed in the Application, the proposed capped rates and charges, discounted by 8.7 percent, would produce additional annual revenues of \$2,223,642 in 2001. These additional annual revenues represent an increase of 6.71 percent in adjusted jurisdictional revenues for the test period of 1999. (*Id.* at 3) As shown in Schedule 3 of the Application, the proposed capped rates and charges could increase annual revenues by up to \$6,603,384 after 2001. The increase in revenues could vary annually with the discount applied each year. In summary, the proposed capped rates and charges could produce additional annual revenues of \$8,827,026 above the adjusted test year level for the period 2001-2007. CVEC would not be authorized to increase rates and charges above the capped rates and charges proposed in the Application.

CVEC also proposed changes in its Terms and Conditions. (*Id.* at 4) The Cooperative requested that these revisions also take effect on January 1, 2001. (*Id.* at 5)

Upon consideration of the Cooperative's application and applicable statutes, the Commission finds that this matter should be docketed and that an investigation should be commenced. The Commission also finds that CVEC should give notice of its application and that a public hearing should be

convened. The Commission Staff will investigate the Cooperative's application and proposed tariff revisions and present its findings in testimony at the hearing.

Accordingly, IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUE000583.

(2) As provided by § 56-582 A 3 of the Code of Virginia, the proposed rates, charges, and Terms and Conditions may take effect on January 1, 2001, on an interim basis subject to refund until such time as the Commission has completed its investigation.

(3) A public hearing be held on March 29, 2001, at 10:00 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia.

(4) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure ("the Rules"), 5 VAC 5-10-520, a hearing examiner is appointed to conduct further proceedings on behalf of the Commission and to file a final report with the transcript of this proceeding.

(5) On or before January 5, 2001, the Cooperative shall file with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and fifteen (15) copies of any

additional direct testimony that it intends to present in support of its application

(6) On or before February 7, 2001, any person expecting to participate as a protestant, as defined in Rule 4:6, 5 VAC 5-10-180, of the Rules, shall file with the Clerk at the address setout in (4) an original and fifteen (15) copies of a notice of protest, as required by Rule 5:16(a), 5 VAC 5-10-420(B), and shall serve a copy on counsel to CVEC, Guy T. Tripp III, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia, 23219-4074.

(7) Within five (5) days of receipt of a notice of protest, CVEC shall serve upon each protestant a copy of this order, a copy of the application, and all materials now or hereafter filed with the Commission.

(8) On or before February 28, 2001, all protestants shall file with the Clerk an original and fifteen (15) copies of a protest, as required by Rule 5:16(b), 5 VAC 5-10-420(C), and an original and fifteen (15) copies of the testimony and exhibits that the protestant intends to present at the hearing and shall serve a copy of the protest, testimony, and exhibits on counsel to CVEC and on all other parties.

(9) On or before February 28, 2001, written comments on CVEC's application may be filed with the Clerk at the address

setout in (5) above. Such comments must refer to Case No. PUE000583.

(10) The Commission Staff shall investigate CVEC's application and, on or before March 9, 2001, shall file with the Clerk of an original and fifteen (15) copies of the testimony and exhibits Staff intends to present at the hearing, and shall serve a copy of the same to counsel for CVEC and on all other parties.

(11) On or before March 19, 2001, CVEC may file with the Clerk an original and fifteen (15) copies of all testimony it expects to offer in rebuttal to all direct testimony and exhibits of Commission Staff and protestants and shall serve one copy on all other parties. Additional rebuttal evidence may be presented in response to evidence which was not filed but elicited at the hearing and, provided further, the need for additional rebuttal evidence is timely addressed by motion during the hearing.

(12) Rule 6:4, Interrogatories to Parties or Requests for Production of Documents and Things, 5 VAC 5-10-480, shall be modified for this proceeding as follows: (i) answers and objections shall be served within ten (10) days after receipt of interrogatories; (ii) special motions upon the validity of any objections raised by answers shall be filed within five (5) working days of receipt of the objection; and (iii) answers,

objections, and special motions shall be served on by 3:00 p.m. of the due date, unless the Staff or party upon whom service must be made agrees in advance to other arrangements. Except as so modified, discovery shall be in accordance with the Rules.

(13) Forthwith upon receipt of this order, CVEC shall make available for inspection at its offices during regular business hours copies of its application, testimony, exhibits, this order, and all other materials filed in this proceeding.

(14) On or before December 29, 2001, CVEC shall publish the following notice as display advertising (not classified) in the December issue of its periodical *Current Communicator*:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
CVEC ELECTRIC COOPERATIVE FOR A GENERAL  
INCREASE IN RATES  
CASE NO. PUE000583

On November 1, 2000, CVEC Electric Cooperative ("CVEC" or the "Cooperative") filed an application with the State Corporation Commission ("Commission") to revise its rates, charges, and Terms and Conditions for electric service. The Cooperative made this filing under § 56-582 of the Code of Virginia, which authorizes the establishment of capped rates from January 1, 2001, to July 1, 2007. As provided by § 56-582 A 3 of the Code, the revised rates and charges will take effect on January 1, 2001, on an interim basis and subject to refund.

CVEC seeks approval of rates that would be adequate in 2007, but these rates would be discounted by 8.7 percent for the year 2001. After 2001, as authorized by § 56-582 B(iv) of the Code, the discount of

8.7 percent could be adjusted upward or downward depending upon changes in CVEC's cost of providing service. No increase or decrease in the discount would be made without Commission approval.

As filed in the Application, the proposed rates and charges, discounted by 8.7 percent, would produce additional annual revenues of \$2,223,642 in 2001. These additional annual revenues represent an increase of 6.71 percent in adjusted jurisdictional revenues for the test period. The proposed capped rates and charges could produce additional annual revenues of \$6,603,384 after 2001. For the entire period 2001-2007, the proposed capped rates and charges could produce additional annual revenues of \$8,827,026 over test period revenues. The total amount of additional annual revenues would depend on the discount applied each year.

The details of these and other tariff revisions are set out in CVEC's application. Interested parties are encouraged to review the application for the details of these and other Cooperative proposals. The application may be reviewed in the Commission's Document Control Center, Office of the Clerk of the Commission, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, during Commission business hours. Copies of the application may also be viewed at the Cooperatives office in Lovingsston, Virginia, during regular business hours.

A public hearing on CVEC's application will be held on March 29, 2001, at 10:00 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia. Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date

at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

On or before February 28, 2001, written comments on CVEC's application may be filed with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Comments must refer to Case No. PUE000583.

Any person desiring to make a statement at the public hearing concerning the application need only appear in the courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff as a public witness.

On or before February 7, 2001, any person desiring to participate as a protestant, as defined in Rule 4:6, 5 VAC 5-10-180, of the Commission's Rules of Practice and Procedure ("Rules"), shall file with the Clerk of the Commission at the address printed above an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), 5 VAC 5-10-420(B), and shall serve a copy of same on counsel for CVEC, Guy T. Tripp III, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia, 23219-4074. Any person who expects to participate as a protestant should promptly obtain a copy of the Order for Notice and Hearing for complete details of the procedural schedule and instructions on participation in this case.

#### CVEC ELECTRIC COOPERATIVE

(15) On or before December 22, 2000, CVEC shall serve a copy of this Order on the chairman of the board of supervisors of every county and upon the mayor of every city and town within CVEC's service area. Service shall be made by first-class mail



or delivery to the customary place of business or residence of the person served.

(16) On or before February 7, 2001, CVEC file with the Clerk proof of the newspaper publication and proof of service required by ordering paragraphs (14) and (15).